



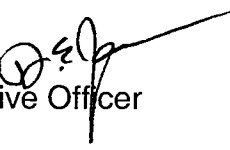
County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

September 10, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen 
Chief Administrative Officer

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**MOTION TO ENDORSE PROPOSITION 63 – MENTAL HEALTH SERVICES
(ITEM NO. 17, AGENDA OF SEPTEMBER 14, 2004)**

Item number 17, on the September 14, 2004 agenda, is a motion by Supervisors Yaroslavsky and Burke to endorse Proposition 63, the Mental Health Services Expansion and Funding Initiative, which is on the November 2, 2004 ballot.

Proposition 63 would impose an additional one percent tax on taxable income over \$1 million for the expansion of mental health services and programs. The measure would dedicate funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults and seniors. It would require the State to develop mental health service programs including prevention, early intervention, education, and training. It would also create a new commission to approve county programs and expenditures. Proposition 63 prohibits the supplanting of current funding for mental health services with proceeds from the new tax.

The proceeds from Proposition 63 would be administered by the State Department of Mental Health and distributed annually to counties based on their expenditure plan, service capacity, unmet needs, and the amount of available funds. In FY 2004-05, funds would be allocated as follows:

- 45 percent for education and training.
- 45 percent for capital facilities and technological needs.
- 5 percent for local planning efforts.
- 5 percent for State administrative responsibilities.

Beginning in FY 2005-06, program allocations would be phased-in over a three-year period:

- 10 percent placed in a trust fund for education and training.
- 10 percent for capital facilities and technological needs.
- 20 percent for prevention and early intervention.
- 60 percent allocated to counties to expand mental health services; 5 percent of this amount may be used for approved, innovative programs.

The State Legislative Analyst's Office (LAO) estimates that the measure will result in additional revenues of \$275 million in FY 2004-05, \$750 million in FY 2005-06, and increasing amounts annually thereafter, with comparable increases in expenditures by the State and counties for the expansion of mental health programs. The LAO further indicates that the savings to the State and counties, while unspecified, could potentially amount to hundreds of millions of dollars annually on a statewide basis from reduced costs for State prison and county jail operations, medical care, homeless shelters, and social services programs.

According to the Department of Mental Health (DMH), Proposition 63 would provide help to solve their chronic funding shortfalls and address unmet needs. Because of funding problems, many residents, including those in crisis, are less able to receive the mental health services they need. DMH indicates that, given the current fiscal environment, and the historical under-funding of the public mental health system, Proposition 63 would bring urgently needed resources, and a vision for client-centered and integrated mental health services to Los Angeles County. While Proposition 63 requires counties to submit expenditure plans, Los Angeles County generally receives one-third of statewide funding allocations. One-third of the estimated statewide revenues that would likely be available to counties would be \$82 million in 2004-05, and \$223 million in 2005-06.

DMH anticipates that the following additional or expanded services could be provided with the passage of Proposition 63:

- Crisis services, including psychiatric urgent care facilities in each Service Planning Area.
- Additional support for law enforcement involvement in the Department's Mental Evaluation Team (MET) and System-wide Mobile Assessment Response Team (SMART).
- Assertive Community Treatment (ACT) services, which provide 24-hour, direct, and individualized assistance to people with serious and persistent mental illnesses.

- Suicide prevention as a major activity of the public mental health system.
- Early intervention services.
- A system to serve the mental health needs of older adults.
- New client self-help programs to encourage self-sufficiency, independent living, and employment.

The initiative would also provide an opportunity to restructure the County's mental health system into one that is family-focused and client-centered, both widely accepted features of best mental health practice. The initiative requires an extensive and complex community planning process for expenditure of funds, and provides funding for this process. DMH supports the initiative's promotion of innovative mental health practices; as well as its inclusion of vital workforce development activities to recruit, hire, and retain mental health professionals to deliver additional services to County residents.

Proposition 63 is sponsored by Assembly Member Darrell Steinberg and supported by the California Psychiatric Association, Southern California Psychiatric Society, California Society of Addiction Medicine, California Academy of Child and Adolescent Psychiatry, California Psychological Association, California Chapter of the National Association of Social Workers, California Mental Health Directors Association, California Healthcare Association, Mental Health Association in California, California Mental Health Planning Council, National Association for the Mentally Ill – California, California Council of Community Mental Health Agencies, California Network of Mental Health Clients, California Institute for Mental Health, Los Angeles County Mental Health Commission, Mental Health Association in Los Angeles County, California Nurses Association, Congress of California Seniors, Older Women's League of California, Gray Panthers of California, SEIU California State Council, AFSCME, AFL-CIO of California, Peace Officers Research Association of California, California Police Chiefs Association, and the California Teachers Association, among many others.

The measure is opposed by the Howard Jarvis Taxpayers Association, Americans for Tax Reform, and the Citizens Commission on Human Rights of the Church of Scientology.

A recent Public Policy Institute of California poll indicated that likely voters favored Proposition 63 by 67 percent to 31 percent, with 2 percent undecided. Among all Californians, 71 percent favored the measure.

Historically, the County has supported legislative measures to increase funding for local mental health services. **The Department of Mental Health recommends support for Proposition 63 because it would provide new funding to stabilize critical mental**

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services, and address important unmet service needs, and we concur. However, because there is no existing County policy regarding increasing income taxes to fund mental health services, support for this measure is a matter for Board policy determination.

DEJ:GK
MAL:JF:ib

C: Executive Officer, Board of Supervisors
County Counsel
Director of Mental Health